

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS

	2016 R'000	2015 R'000
18. SHARE CAPITAL		
18.1 AUTHORISED		
Ordinary Share Capital		
250 000 000 ordinary shares of 10 cents each	25 000	25 000
19 458 196 A shares of 10 cents each	–	1 946
6 486 065 B shares of 10 cents each	–	649
18.2 ISSUED		
Ordinary Share Capital		
Opening balance of 168 885 185 ordinary shares (2015: 168 788 585) of 10 cents each	16 888	16 878
Issue of 6 700 ordinary shares of 10 cents each (2015: 96 600 shares)	1	10
Movement of treasury shares	258	–
	17 147	16 888

6 700 (2015: 96 600) ordinary shares were issued, in various tranches during the year, to meet the obligations of the Adcock Ingram Holdings Limited Employees Share Trust (2008).

The terms and conditions of the A and B ordinary shares were:

A and B ordinary shares ranked *pari passu* with the ordinary shares, save that:

- (i) these A and B ordinary shareholders could not participate in any special dividends declared or paid by the Company, unless the respective notional outstanding loan balances had become zero at any time prior to the respective release dates, in which event these A and B ordinary shares could be entitled to participate in all special dividends declared or paid by the Company;
- (ii) A and B ordinary shares would remain certificated and would not be listed on any stock exchange;
- (iii) for so long as the ordinary shares were listed on the JSE, the rights attaching to these A and B ordinary shares could not be amended in any material respect without the prior written approval of the JSE; and
- (iv) these terms and conditions could only be amended as prescribed by sections 43 and 44 of the Memorandum of Incorporation of the Company.

18.3 TREASURY SHARES

		Number of shares
Shares held by the BEE Participants		
– number of A shares	–	19 458 196
– number of B shares	–	6 486 065
– number of ordinary shares	–	2 571 000
Shares held by Group company		
– number of ordinary shares	4 285 163	4 285 163
	4 285 163	32 800 424

As required by IFRS, both Blue Falcon Trading 69 Proprietary Limited and the Mpho ea Bophelo Trust were consolidated into the Group's annual financial statements and all A, B and ordinary shares held by them were accounted for as treasury shares in the prior year.

The modified BEE structure was implemented in July 2015. As part of the modification of the old BEE scheme, the A and B shares were repurchased by the Company for a nominal amount of R100 and cancelled. Refer to Annexure B for full details on the modified scheme.

Shares bought back and held by a Group company are also regarded as treasury shares.

Number of shares

18. SHARE CAPITAL (continued)

18.4 RECONCILIATION OF ISSUED SHARES

Number of shares in issue	175 748 048	201 685 609
Number of A and B shares held by the BEE participants	–	(25 944 261)
Number of ordinary shares held by the BEE participants	–	(2 571 000)
Number of ordinary shares held by the Group company	(4 285 163)	(4 285 163)
Net shares in issue	171 462 885	168 885 185

Unissued shares

In terms of the Companies Act, the unissued shares are under the control of the directors. Accordingly, the directors are authorised to allot and issue them on such terms and conditions and at such times as they deem fit but subject to the provisions of the Companies Act.

The Group has a share incentive trust in terms of which shares were issued and share options were granted. Refer to Annexure B. As required by IFRS and the JSE Limited, the share incentive trust is consolidated into the Group's annual financial statements.

2016
R'0002015
R'000

19. SHARE PREMIUM

Balance at the beginning of the year	512 938	510 920
Issues of 6 700 ordinary shares (2015: 96 600)	189	2 018
Movement of treasury shares	153 746	–
	666 873	512 938